GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1189
ANSWERED ON:09.02.2017
Revision in TUFS
Kumar Shri P.

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has revised the provisions of Technology Upgradation Fund Scheme with a view to boost "Make in India" initiative textile sector;

(b) if so, the details thereof; and

(c) the details of the budget provisions made and the incentives being offered to handloom sector for the said purpose?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): Yes, Madam. The Government has approved "Amended Technology Upgradation Fund Scheme (A-TUFS)" in place of Revised Restructured Technology Upgradation Fund Scheme (RRTUFS) for technology upgradation of the textile industry with one time capital subsidy for eligible benchmarked machinery for a period of seven years from 2015-16 to 2021-22. Keeping in view the levels of modernization achieved in the spinning segment, the rates and ceiling of subsidy for different segments available under ATUFS are indicated below:-

Sl.
No.
Segment Rate of Capital Investment Subsidy (CIS) CIS per individual entity
1. Garmenting, Technical Textiles 15% on eligible Machines Rs. 30 crore*
2. Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom. 10% on eligible Machines Rs. 20 crore*
3(a)

Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.
15% on eligible Machines

Rs. 30 crore*

3(b) Composite unit/ Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50%, 10% on eligible Machines Rs. 20 crore*

* In case the applicant had availed subsidy earlier under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted as indicated above for respective segments.

Ministry has also notified the Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivise production and employment generation in the garmenting sector vide Resolution dated 25.07.2016. The Government has also approved reforms inter alia to boost Employment Generation and Exports in the Made-Ups Sector vide Resolution dated 10.01.2017 . The additional incentive of 10% will be provided to both the garmenting and made-ups units which would be availing the 15% Capital Investment Subsidy (CIS) under ATUFS for the installation of eligible benchmarked machinery after a period of 3 years. The cap on capital investment subsidy for the eligible machinery in the garmenting and made-ups units has therefore been enhanced from Rs. 30 crore which was the cap under ATUFS, to Rs. 50 crore. This additional subsidy of 10% will be on achievement of the projected production and employment generation, as stated by the unit in its Detailed Project Report (DPR).

(c): An allocation of Rs. 17,822 crore has been approved for seven years to meet the committed liabilities of Rs. 12,671 crore and Rs. 5151 crore for new cases under ATUFS. Budget provision for the financial year 2016-17 under Revised Estimate is Rs. 2610 crore. However, there is no specific budget provision for any particular segment, including Handloom sector since the scheme is demand driven.